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# CENTRAL INTELLIGENCE AGENCY

# INFORMATION REPORT

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SECURITY INFORMATION

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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

1. A Russian named Stepanov (phonetic) (fnu) has been sent to Hungary from the USSR to check over the bauxite-producing potential of the mines under Maszobal control.

2. The estimate, based on records and experience, was prepared by one of the engineers at the Halimba mine. When it was ready the engineer handed it to the Hungarian manager for transmission to Stepanov, keeping a duplicate in the records.

3. Two days later Stepanov sent privately for the engineer and asked for his estimate. On being told that it had been taken by the manager he became extremely angry and said that such figures were for Russian eyes alone, since the Hungarians no longer had any control over the bauxite industry. All future statistics were to be passed straight to him. He then took away the duplicate copy.

4. At the same time a commission of the State Control Board (Állami Ellenörzö Központ or AEK), commonly known as the "Economic AVH" was checking the books and general management of the Maszobal combine and several lesser employees have been arrested for sabotage. The bookkeeper of the Halimba mine who was away "ill" for several weeks turned up again in a battered condition, both as to body and clothes, and said that he had been subjected to "individual questioning" by the AEK. It is generally believed that this has some connection with the breakdown at Inota.

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